State of Idaho

DEPARTMENT OF INSURANCE

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NEWS RELEASE

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Insurance Director Cautions Insurers on use of Credit Scores

Downturn in US economy affecting Idaho households

BOISE ID – (November 12, 2008) Idaho Department of Insurance Director Bill Deal today urged insurers to carefully review their use of credit related information in rating insurance policies.

"In this difficult economy, the finances of many Idahoans are being affected through no fault of their own," Deal said. "I am reminding insurers that they need to remain fair and reasonable in their underwriting process."

Insurers often look into a consumer's credit history when quoting rates on new policies or renewing existing policies. Idaho law prohibits insurers from refusing to issue or renew a policy based primarily on information obtained from a credit report. This law also prohibits insurers from charging higher premiums based primarily on credit information.

Idaho Code and Department of Insurance Rules permit the use of credit scoring under guidelines that are strictly enforced. Complaints regarding the use of credit history will be carefully scrutinized by the Department.

Idaho consumers are encouraged to visit the Department's website for information on credit scoring as it relates to insurance. The following link provides a list of frequently asked questions: http://www.doi.idaho.gov/consumer/credit_questions.aspx.

The Department of Insurance encourages consumers to visit the website or call with questions or concerns about this or other insurance-related issues, 334-4250 in Boise, or 800-721-3272 toll free statewide.

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